

November 3, 1999



Barrett Business Services, Inc. Announces Record Earnings and Revenues For Third Quarter 1999

PORTLAND, Ore., Nov. 3 /PRNewswire/ -- Barrett Business Services, Inc.

(Nasdaq: BBSI) reported today net income of \$1,835,000 for the third quarter ended September 30, 1999, an increase of 14.8% over the third quarter of 1998.

Diluted earnings per share for the 1999 third quarter were \$.24, compared to \$.21 for the same quarter a year ago. Net income for the nine months ended September 30, 1999 amounted to \$3,790,000, an increase of 46.6% over the comparable 1998 period. Basic and diluted earnings per share for the 1999 nine-month period were \$.50, compared to \$.34 for basic and diluted earnings per share for the similar 1998 period.

Revenues for the third quarter ended September 30, 1999 totaled \$95.9 million, an increase of approximately \$13.9 million or 17.0% over the \$82.0 million for the same quarter in 1998. Revenues for the nine months ended September 30, 1999 were \$251.6 million, an increase of 10.4% over the comparable 1998 period.

Results of Operations (in thousands, except per share amounts)	(Unaudited)		(Unaudited)	
	Third Quarter Ended		Nine Months Ended	
	September 30,		September 30,	
	1999	1998	1999	1998
Revenues:				
Staffing services	\$56,434	\$44,199	\$139,848	\$127,289
Professional employer services	39,441	37,770	111,749	100,572
Total revenues	95,875	81,969	251,597	227,861

Cost of revenues:				
Direct payroll costs	74,285	63,768	195,025	176,783
Payroll taxes and benefits	7,620	6,587	21,013	19,656
Workers' compensation	2,578	2,201	6,992	6,408
Safety incentives	444	446	1,165	1,146
Total cost of revenues	84,927	73,002	224,195	203,993
Gross margin	10,948	8,967	27,402	23,868
Selling, general and				
administrative expenses	7,116	5,826	19,376	17,677
Merger expenses	--	--	--	750
Amortization of intangibles	532	322	1,339	1,004
Income from operations	3,300	2,819	6,687	4,437
Other (expense) income, net	(138)	68	(80)	178
Income before taxes	3,162	2,887	6,607	4,615
Provision for income taxes	1,327	1,288	2,817	2,029
Net income	\$ 1,835	\$ 1,599	\$3,790	\$2,586
Basic earnings per share	\$.24	\$.21	\$.50	\$.34
Weighted average basic				
shares outstanding	7,581	7,675	7,609	7,660
Diluted earnings per share	\$.24	\$.21	\$.50	\$.34
Weighted average diluted				
shares outstanding	7,634	7,714	7,655	7,710

The following summarizes the unaudited balance sheets at September 30, 1999 and December 31, 1998:

(\$ in thousands)	September 30,	December 31,
	1999	1998
Assets		
Current assets:		
Cash and cash equivalents	\$--	\$4,029
Trade accounts receivable, net	33,223	21,907
Prepaid expenses and other	2,002	1,103
Deferred tax assets	1,629	1,857
Total current assets	36,854	28,896

Intangibles, net	22,625	11,508
Property and equipment, net	6,481	5,184
Restricted marketable securities		
and workers' compensation deposits	6,431	6,004
Deferred tax assets	733	552
Other assets	1,150	626
	\$74,274	\$52,770
Liabilities and Stockholders' Equity		
Current liabilities:		
Notes payable	\$865	\$--
Current portion of long-term debt	2,783	61
Line of credit payable	2,972	--
Income taxes payable	200	438
Accounts payable	1,362	948
Accrued payroll, payroll taxes		
and related benefits	16,755	9,246
Accrued workers' compensation claim		
liabilities	2,700	3,244
Customer safety incentives payable	1,135	1,173
Other accrued liabilities	512	514
Total current liabilities	29,284	15,624
Long-term debt, net of current portion	4,941	503
Customer deposits	787	829
Long-term workers' compensation		
liabilities	703	714
Other long-term liabilities	1,791	1,398
Stockholders' equity	36,768	33,702
	\$74,274	\$52,770

Barrett Business Services, Inc. is a human resource management company

with offices in eleven states.

SOURCE Barrett Business Services, Inc.

Web site: <http://www.barrettbusiness.com>

Company News On-Call: <http://www.prnewswire.com/comp/082187.html> or fax, 800-758-5804, ext. 082187

CONTACT: William W. Sherertz, President and Chief Executive Officer of Barrett Business

Services, Inc., 503-220-0988